

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF NEW YORK**

United States of America,

Plaintiff,

v.

\$102,090 in U.S. Currency,

Defendant.

Civil Action No.: 1:20-cv-1155 (DNH/TWD)

VERIFIED COMPLAINT FOR FORFEITURE *IN REM*

The United States of America brings this verified complaint for forfeiture *in rem* against the above-captioned assets (the “defendant currency”) and alleges as follows:

NATURE OF THE ACTION

This is an action *in rem* brought pursuant to 21 U.S.C. § 881(a)(6) and Rule G of the Supplemental Rules for Certain Admiralty or Maritime Claims and Asset Forfeiture Actions. Forfeiture is sought of the defendant currency as money furnished or intended to be furnished in exchange for a controlled substance and proceeds traceable to such an exchange, in violation of 21 U.S.C. § 841.

THE PARTIES

1. Plaintiff is the United States of America.
2. The defendant currency – \$102,090 in U.S. Currency – is in the custody of the United States.

JURISDICTION AND VENUE

3. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §§ 1345 and 1355.

4. This Court has *in rem* jurisdiction over the defendant currency pursuant to 28 U.S.C. § 1355(b).

5. Venue is proper in this district pursuant to 28 U.S.C. §§ 1355 and 1395.

FACTS

6. Adam Houghton and Gary Davis sold illegal drugs from Davis's two homes, in Kingston, New York. Authorities executed search warrants in July 2019, and seized the \$102,090 in defendant currency from two safes in Davis's bedroom closet that were covered in cocaine residue, and also contained large quantities of cocaine, marijuana and illegally possessed guns. Also seized from Davis's closet were drug-packaging material, a digital scale and cutting agents.

7. In early 2019, authorities received credible information from a confidential source (CS) about Houghton's and Davis's drug-trafficking activity. The CS initially explained that Houghton sold cocaine from [REDACTED], in Kingston. The CS later identified Davis as Houghton's supplier; stated that Houghton stored his drug supply at [REDACTED], in Kingston; and explained that Davis directed Houghton to return to [REDACTED] with the proceeds from each drug sale.

8. Davis owned both the [REDACTED] and [REDACTED] properties.

9. Between May and June 2019, authorities conducted four "controlled buys" (*i.e.*, the purchase of drugs under covert law-enforcement surveillance) in which Houghton sold the CS, in total, more than 56 grams of cocaine.

10. Authorities observed Houghton leave Davis's [REDACTED] property before each buy and return after, each time driving either a Buick LeSabre or a Dodge Caravan registered to Davis.

11. On July 10, 2019, the CS called Houghton and the two arranged to meet in the New Ulster Marine area. Authorities observed Houghton leave Davis's [REDACTED] property and, when

he arrived in New Ulster Marine, they saw Houghton sell 30.2 grams of cocaine to the CS. Houghton was placed under arrest and transported to the police station. After being advised of his *Miranda* rights, Houghton admitted that he had sold cocaine on more than a dozen occasions.

12. That same day, authorities executed search warrants of Davis's [REDACTED] and [REDACTED] properties.

13. The [REDACTED] property appeared uninhabited and contained no drugs or other contraband.

14. On information and belief, Davis and Houghton both resided at [REDACTED]

15. Houghton's personal belongings were found on the first floor of the [REDACTED] home, near a loaded shotgun.

16. The defendant currency was located in two safes on the second floor of the [REDACTED] home, in Davis's bedroom closet. On top of the safe were drug-packaging material, a digital scale, cutting agents, a grinder and vinyl gloves.

17. The smaller safe, which was covered in cocaine residue, contained \$100,000 of the defendant currency. The money, which consisted of 1,000 one hundred dollar bills, was stored in rubber bands in stacks of \$1,000, which, in turn, were bundled in larger rubber bands into 10 piles of \$10,000 each.

18. The larger safe, which was also covered in cocaine residue, contained 448.4 grams of cocaine, 296.6 grams of marijuana, three handguns, and \$2,090 of the defendant currency.

19. In total, officers found and seized seven firearms from the home (*i.e.*, a loaded shotgun, three long guns and three handguns). Davis could not legally possess these firearms because of his prior felony convictions, including for drug trafficking.

20. Houghton pled guilty in in Ulster County Court to Criminal Sale of a Controlled Substance in the 2nd Degree. He was sentenced principally to four years imprisonment.

21. Davis was charged in Kingston City Court with Criminal Possession of a Controlled Substance in the 3rd Degree and multiple gun charges. Those charges remain pending.

22. In June 2020, Davis filed an administrative claim with the U.S. Customs and Border Protection for the \$102,090 in defendant currency claiming, under penalty of perjury, that the money found in the safes constitutes his “inheritance and life savings.”

CONCLUSION

23. The facts set forth above support a reasonable belief that the government will be able to meet its burden of proof at trial. Specifically, probable cause exists to believe that the defendant currency constitutes: (a) money furnished or intended to be furnished by a person in exchange for a controlled substance in violation of the Controlled Substances Act; (b) proceeds traceable to such an exchange; or (c) money used or intended to be used to facilitate a violation of the Controlled Substances Act.

WHEREFORE, pursuant to Supplemental Rule G, plaintiff the United States of America, respectfully requests that the Court:

- (1) Issue a Warrant of Arrest *In Rem*, in the form submitted with this Complaint;
- (2) Direct any person having any claim to the defendant currency to file and serve their Verified Claims and Answers as required by 18 U.S.C. § 983(a)(4) and Supplemental Rule G;
- (3) Enter judgment declaring the defendant property to be forfeited and condemned to the use and benefit of the United States; and
- (4) Award such other and further relief to the United States as it deems proper and just.

Dated: September 22, 2020

ANTOINETTE T. BACON
Acting United States Attorney

By: /s/ Adam J. Katz
Adam J. Katz
Assistant United States Attorney
Bar Roll No. 517894

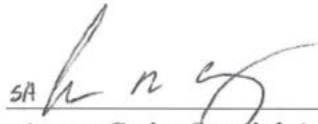
VERIFICATION

STATE OF NEW YORK)
) ss:
COUNTY OF ALBANY)

Aaron Cady being duly sworn, deposes and states:

I am a Special Agent with Homeland Security Investigations. I have read the foregoing Complaint for Forfeiture *In Rem* and assert that the facts contained therein are true to the best of my knowledge and belief, based upon knowledge possessed by me and/or on information received from other law enforcement officers.

Dated this 22nd day of September, 2020.



SA Aaron Cady, Special Agent
Homeland Security Investigations

Sworn to and subscribed before me this 22nd day of September, 2020.



Notary Public

Jessica Fereday
Notary Public, State of New York
No.: 01FE6053483
Qualified in Rensselaer County
Commission Expires: January 8, 2023

CIVIL COVER SHEET

1:20-cv-1155

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

I. (a) PLAINTIFFS

UNITED STATES OF AMERICA

(b) County of Residence of First Listed Plaintiff Albany
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorney's (Firm Name, Address, and Telephone Number)
Adam J. Katz, Assistant U.S. Attorney (518) 431-0247
United States Attorney's Office, 445 Broadway,
Albany, New York 12207

DEFENDANTS

\$102,090 in U.S. Currency

County of Residence of First Listed Defendant Ulster
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE
LAND INVOLVED.

Attorneys (If Known)
John Ingrassia, Esq. 356 Meadow Ave, Newburgh, NY 12550
(945)566-5345

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- ☒ 1 U.S. Government Plaintiff
☐ 2 U.S. Government Defendant
☐ 3 Federal Question (U.S. Government Not a Party)
☐ 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- | | PTF | DEF | | PTF | DEF |
|---|----------------------------|----------------------------|--|----------------------------|----------------------------|
| Citizen of This State | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated <i>or</i> Principal Place of Business In This State | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated <i>and</i> Principal Place of Business In Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

IV. NATURE OF SUIT (Place an "X" in One Box Only)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury	PERSONAL INJURY <input type="checkbox"/> 362 Personal Injury - Med. Malpractice <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 810 Selective Service <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes
REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	CIVIL RIGHTS <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 440 Other Civil Rights	<input type="checkbox"/> 510 Motions to Vacate Sentence Habeas Corpus: <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition	LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act IMMIGRATION <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 463 Habeas Corpus - Alien Detainee <input type="checkbox"/> 465 Other Immigration Actions	

V. ORIGIN

(Place an "X" in One Box Only)

- ☐ 1 Original Proceeding
☐ 2 Removed from State Court
☐ 3 Remanded from Appellate Court
☐ 4 Reinstated or Reopened
☐ 5 Transferred from another district (specify)
☐ 6 Multidistrict Litigation
☐ 7 Appeal to District Judge from Magistrate Judgment

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):
21USC 881

Brief description of cause:

VII. REQUESTED IN COMPLAINT:

☐ CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23

DEMAND \$

CHECK YES only if demanded in complaint:

JURY DEMAND: ☐ Yes ☐ No**VIII. RELATED CASE(S) IF ANY**

(See instructions):

JUDGE

DOCKET NUMBER

DATE

SIGNATURE OF ATTORNEY OF RECORD

09/11/2020

s/Adam J. Katz

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RECEIPT # _____ AMOUNT waived APPLYING IFP waived JUDGE DNH MAG. JUDGE TWD